

Exhibit A



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

AUG 14 2014

Ms. Laura Velez-Velez
Chairman
Puerto Rico Environmental Quality Board
Apartado 11488
San Juan, Puerto Rico 00910

Mr. Juan F. Alicea Flores
Executive Director
Puerto Rico Electric Power Authority
G.P.O. Box 364267
San Juan, Puerto Rico 00936-4267

Dear Chairman Velez and Mr. Alicea:

The Puerto Rico Electric Power Authority (PREPA) has asked the U.S. Environmental Protection Agency (EPA) and the Puerto Rico Environmental Quality Board (EQB) to confirm in writing whether they believe that the 1994 Power Purchase and Operating Agreement (PPA) between PREPA and AES Puerto Rico, L.P. (AES) should be modified to allow the coal combustion residuals (CCRs), *i.e.*, coal ash, generated by AES's power plant in Guayama, P.R. to be disposed of in a landfill in Puerto Rico.

As you know, the PPA currently states that AES's CCRs "will not be disposed anywhere in the Commonwealth of Puerto Rico." (PPA, ¶6.6.) EPA believes that such a prohibition is not necessary. An appropriate disposal option needs to be available for the material.

As you may be aware, EPA is engaged in a rulemaking effort, at the national level, to determine whether to regulate CCRs, and if so, how.¹ If the final rule establishes requirements or prohibitions with respect to the disposal of CCRs, then the disposal of AES's CCRs will need to comply with those requirements or prohibitions, as applicable. In the interim, EPA believes the

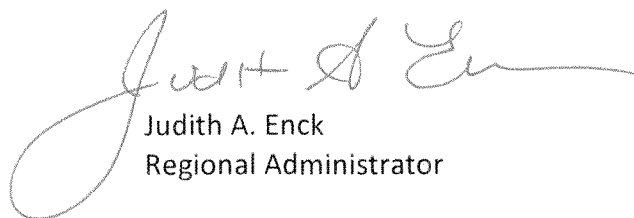
¹ See <http://www.epa.gov/solidwaste/nonhaz/industrial/special/fossil/ccr-rule/index.htm>.

disposal of AES's CCRs in Puerto Rico should be in a composite lined, permitted landfill that complies with the regulations established in 40 CFR Part 258 under Subtitle D of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*, or in a composite lined permitted monofill dedicated to the disposal of such CCRs either in Puerto Rico or in another jurisdiction. The groundwater monitoring and corrective action program for either type of unit should include sampling for arsenic, among other substances; EPA's 2010 CCR regulatory proposal should be consulted regarding this issue. EPA can provide additional details and assistance in this area. EQB may have additional and/or more stringent requirements that need to be met as well.

EPA recommends that the PPA be amended to allow the disposal of AES's CCRs in accordance with this letter. Please note that this letter is not a permit and does not waive, modify or otherwise change any legally applicable requirements.

If you have any questions, please let me know or have your staff contact Leonard Grossman of EPA at 212-637-4039 or grossman.lenny@epa.gov. Thank you.

Sincerely yours,



Judith A. Enck
Regional Administrator